

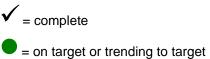
Global Equity Priorities — Eric Baggesen

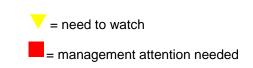
Objective	Status	Accomplishments
Meet / beat benchmarks		 Initiated data cleansing process Released Relative Return Optimization module Commissioned External Capital Allocation vendor Benchmark Migration – FTSE All- World IEPC – Vendor demonstrations
Integrate Environmental, Social, and Governance		See Strategic Initiative – Financial Market Reform
Finish reorganization of team		 Formed cross-section teams (investment portal process, manager skill, data preparation project) Completed duty statement review (Corp Gov and Internal Equity) SPM feedback Switched staff to better align skills with duties

Global Fixed Income Priorities — Curtis Ishii

Objective	Status	Accomplishments
In-source internal money management		\$2.4 billion moved to internal management in 2010
Clarify role of fixed income	✓	 Investment Strategy Group agreed on language to create two different area categories and goals Global Fixed Income Policy was approved by PSC in August to changed the guidelines to reduce volatility of the active fixed income portfolio relative to the benchmark

Legend:







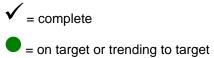
Real Estate Priorities — Ted Eliopoulos

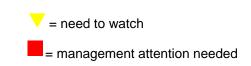
Objective	Status	Accomplishments
Complete and implement manager reviews		In progress
Continue restructuring of risk, leverage, and valuation		In progress
Clarify role of Real Estate		In progress
Revise Real Estate Strategic Plan		In progress
Implement enhanced systems and controls		In progress
Make core allocations for new investment opportunities		In progress

AIM Priorities — Joseph Dear

Objective	Status	Accomplishments
Enhance performance		 Credit Suisse engaged to assist in portfolio review Exploring rebalancing options CY 2009 Performance: 35.4% One Year return through 3/31/10 Almost \$20M in fee cuts in 2010
Emphasize contrarian/ opportunistic investments		 Committed to new "rescue capital" fund (50% IRR to date) Thoroughly evaluated distressed bank investment opportunity
Build co-investment capability		 Developing more efficient screening process for direct investment opportunities Currently working to develop direct/co-investment strategy

Legend:







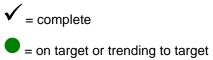
ILAC Priorities — Ted Eliopoulos

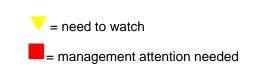
Objective	Status	Accomplishments
Infrastructure: Build direct investment capability		Executed the acquisition of the first direct investment for the Infrastructure Program
Infrastructure: Obtain delegations to enable effective implementation	√	Obtained interim Delegations of Authority for the Infrastructure and Forestland Programs Transferred and transitioned SIO-level management responsibility for ILAC
Review ILAC benchmark based on asset mix and results		In progress
Conduct ILAC Program review in March 2010	✓	Presented the 2010 ILAC Program Review to the IC
Focus on performance		In progress

Affiliate Investment Programs Priorities — Geraldine Jimenez

Objective	Status	Accomplishments
Reduce Affiliate Investment Programs administrative costs		Reduce administrative and program costs for the benefit of participant retirement savings (\$416,518.08)
Produce three online videos to enhance member/employer education and customer service		Coordinated with CalPERS Public Affairs Office the development of the last two of three CalPERS Supplemental Income 457 Plan educational videos
Support legislation to expand products and services for enhancing retirement security		Proposed legislation for expanding the deferred compensation statute
Raise visibility of Affiliate Funds		Enhanced employer communications by providing online resources for both prospective and contracting agencies via our Employer
Update the Member Home Loan Program structure and services		Issued Request for Proposal (RFP) for Program Manager and Servicer

Legend:







Policy and Business Support Priorities — Kami Niebank

Objective	Status	Accomplishments
Improve contracting processes		 Completed a detailed review of the entire Investment Office contracts process Improved Contract Unit procedures, tools, and templates
Review incentive compensation program		 Reviewed existing performance compensation program Reviewed industry practices Developed recommendations to modify the incentive compensation program Presented recommendations and currently implementing approved changes to the plans for Fiscal Year 2010-11
Improve Investment Office communication materials		 Developed agenda item and presentation templates and educate Staff on use of templates Piloted INVO specific writing class Created accessible resource page online which includes templates, useful information pertaining to the IC/PSC, and a link to the Document Resource Manual and Style Guide
Advance organizational and leadership development in Investment Office		 Conducted all staff organizational culture survey, completed a comprehensive analysis and provided feedback to the leadership team Conducted new employee Senn Delaney sessions Conducted Senn Delaney refresh session for INVO Senior Leaders



Operations, Performance & Technology Priorities — Matt Flynn

Objective	Status	Accomplishments
Initiate the RFP for an enhanced master custody structure		 Engaged Mercer Consulting for RFP development Held Master Custody information session Released Statement of Work to procure Project Manager to oversee the RFP project phases beginning in July Reviewed, evaluated and selected RFP Project Manager Worked with OSSD and Legal to complete and finalize RFP. Released RFP July 30, 2010.
Implement technology solutions		Risk Management System: Released RFP for Risk Management System, procured Project Manager for RFP process, received and scored nine RFP responses, identified four semi- finalists and scheduled vendor demonstrations, held vendor demos, selected vendor finalists for interviews and scheduled interviews for the first week of August. Investment Accounting: Completed
		first round of IT Impact Assessment, engaged FCSD for impact assessment discussions, Statement of Work drafted to procure a Project Manager and Subject Matter Expert for analysis phase of the project, met with target resource to discuss technical/functional analysis and requirements gathering approach.
		Cash Reconciliation & Forecasting System: Performed extensive acceptance testing of the SSB CashPro system, worked with SSB to identify issues as they were discovered, began preliminary analysis of additional cash forecasting tool
Legend: ✓ = complete	= need to wa	
= on target or trending to target	_	nt attention needed



Develop and implement an investment data strategy	Received approach documents from various consultant resources. Currently reviewing and evaluating proposals
Strengthen internal control measures	Initial draft of Pricing Committee governance framework completed



